



INSURANCE ASSOCIATION OF CONNECTICUT

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Statement

Insurance Association of Connecticut

Insurance & Real Estate Committee

HB 5361, An Act Concerning The Use of Breed Of Dog As An Underwriting Factor For Homeowners and Tenants Insurance Policies

February 10, 2015

I am Eric George, President of the Insurance Association of Connecticut (IAC). The Insurance Association of Connecticut (IAC) opposes HB 5361, An Act Concerning The Use Of Breed Of Dog As An Underwriting Factor For Homeowners And Tenants Insurance Policies, which would prohibit an insurer from underwriting or rating homeowners and tenants insurance on the basis of the breed of dog owned by the insured or applicant for that insurance.

According to the Centers For Disease Control and Prevention (CDC), about 4.5 million people are bitten by dogs each year. About half the victims are children, most of whom are bitten on the face, head or neck. Dog bites accounted for more than one-third of all homeowners insurance liability claim dollars paid in 2013 according to the Insurance Information Institute. A single claim can cost \$500,000 or more.

Independent studies by the CDC and the Humane Society of America have shown that certain breeds of dogs are more likely to be involved in an injury or fatal attack, and that the severity of the bite has a direct correlation to particular types of breeds. This state has acknowledged the serious

nature of dog bites by making an owner strictly liable for damages caused by a dog's actions (C.G.S. 22-357).

It is a simple fact, borne out by insurers' own claims data, that some breeds of dogs are more dangerous than others. Like any line of insurance, in order to be fair, insurers must have the flexibility to underwrite and rate homeowners insurance according to the risk presented. By the restrictions it would establish, HB 5361 would prevent insurers from engaging in legitimate underwriting and rating efforts in order to properly reflect the risks associated with certain breeds of dogs and potential liability claims from dog bites.

HB 5361 would result in unwarranted and unfair premium cost shifts, as non-dog owners and owners of dog breeds that present minimal risk will be forced to subsidize the premiums of dog owners who choose to own a more dangerous breed dog.

There is no need for HB 5361. Homeowners and tenants insurance is readily available in Connecticut, even for owners of certain breeds of dogs. Connecticut consumers benefit from a highly competitive homeowners insurance marketplace, as there are scores of insurers actively writing the business in this state. Although some insurers may decline to underwrite for more dangerous breeds, other insurers are willing to write such risks (insurers must file underwriting guidelines with the Insurance Department for approval). That is a function of the competitive marketplace.

HB 5361 will only serve to reduce, not increase, competition in that marketplace, to the detriment of all homeowners insurance consumers. By preventing insurers from underwriting and pricing their products according to the risk they believe is presented, HB 5361 may cause some insurers to reexamine their presence in the market.

IAC urges rejection of HB 5361. Thank you for the opportunity to present the IAC's comments on this legislation.